



# SANCHAR NIGAM EXECUTIVES' ASSOCIATION

## KERALA CIRCLE

(Recognised Majority Association of Executives in BSNL)  
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**No.SNEA/Kerala/2020-21/II/119**

**dated at TVM**

**the 24th July 2020**

To

**Sh. C V Vinod,**  
**Chief General Manager Telecom,**  
**BSNL, Kerala Circle,**  
**Thiruvananthapuram-33**

Respected Sir,

**Sub: Meeting the increased demand from customers for high speed FTTH connections in COVID scenario in our Circle so as to increase our wireline customer base and revenue, a viable model for provisioning and maintenance of FTTH without compromising on service quality and revenue leakage is the need of the hour, need to learn from the lapses in cluster maintenance model as well- our suggestions, reg:**

Ref: BSNL Corporate Officer letter no. NPBB/11(14)/1/2020-NWP-BB-BSNL-CO dtd 09/07/2020

As per the above cited letter, it is understood that FTTH provisioning and maintenance activities in the Circle are being planned to be brought under outsourced agencies similar to the cluster maintenance model in CFA sector. In this regard, the following points are brought to the notice of Circle administration prior to its implementation in the Circle.

**[I] Regarding provisioning of new FTTH connections:**

Demand for FTTH connections has been very high these days due to increased demand for high speed data arising out of new work culture being adopted everywhere in the ongoing COVID scenario to meet online classes, work from home requirements etc. If BSNL can procure some good quantity of modem and fiber, we may be able to penetrate more into the FTTH market utilizing our own OLT network without relying much on other agencies to some good extent. We may be able to retain such new customers in our fold for long and port out threat as seen in the LCO model can be reduced to some extent.

As type II & III models proposed being a perpetual contract for the entire life period of a connection, it may not become an attractive model. Type IIA and IIIA models with 25% and 30% share may not become that

much attractive, as such model may become viable for a contractor, only if he gets an opportunity to provide more than 200 connections in a limited area.

Hence, in the present scenario, it would be better to formulate strategies through concerned BA Heads by providing facilities to give connections through limited tender or LPCs. Also, we need to consider the fact that other LCOs are giving large number of connections at present and we are just formulating models for providing them ultimately losing the golden opportunity to expand our wireline customer base and revenue. It is seen that after issuance of above referred letter from BSNL Corporate Office, many BAs are showing hesitation to provide new connections utilizing contract system despite availability of spare OLT ports, a few quantities of modem/areal OF and adequate budget allotment. It is pointed out that it would be only in the best interest of BSNL, if BAs are permitted to carry out FTTH provisioning by contract wherein the ROI can be ensured within 2 year period and till the formulation of a viable FTTH provisioning system through any other means as envisaged by BSNL Corporate Office.

**[II] Regarding maintenance of FTTH connections:**

The proposed type V model for maintenance may be an attractive one in rural areas where BSNL own connections are very less and maintaining a team for fault repairing is very expensive and a separate contract may not be viable. But in urban areas, where FTTH density and ARPU are more, implementing type V model may not be financially viable for BSNL.

As a sample case, let us take an example of an exchange having 2300 FTTH connections in a BA. On our analysis, it is seen that, average plan charge for the entire customers of that Exchange area would come to around 23 lakh rupees per month and for giving type V maintenance, we may have to spend around Rs. 2.3 lakh rupees per month. But in the same exchanges, the average per month maintenance cost through existing tender would be Rs. 75000 only.

Hence, at least in areas where there are more connections, say 500 and more, the present contract system may be profitable for BSNL. If the budgetary allocation for maintenance work is stopped and type V model is introduced, it may lead to unnecessary financial leakage. Further, ensuring the quality of maintenance under the model inspite of penalty with 15% capping also may be a challenging one from our experience with present cluster maintenance system. It is also suggested that if at all type V model is being implemented the maintenance charge may be paid against the bill collected through wallet as being done for LCO commission. Though the maintenance charge is capped at maximum 10%, from the experience of LCOs, wherein the commission was capped at 50% of FMC, it is most likely that the bidders would be quoting the maximum of 10%. It may be noted that BSNL is paying only maximum 50% commission to LCOs who own OLT and the entire network spanning an average loop length of 2km. In the type V model, only

2F/4F is covered with 10% of the FMC. The 2F/4F may cater small distances, say 200 meters sub loop and the remaining network may be of higher size OH/ UG cable which is not covered under the model Type 5. It is suggested to review the type V model thoroughly considering the topology of our FTTH network consisting of UG, higher size OF 12 F, 24F, 48F , 96F etc for which also maintenance is essential. It is also suggested that BAs may be permitted to adopt most adequate and financially viable model of FTTH maintenance best suitable for maintenance with ceiling on expenditure as decided by corporate office which may also vary from circle to circle instead of a flat system as in the case of tariff structures.

Further, the field situation may be different from Circle to Circle and BA to BA and hence, it would be always better to introduce models which are flexible to operate based on the local conditions so that BAs would be able to choose the type of operation as per the expenditure guidelines as suggested by Corporate office in the letter under reference. Any new model may be experimented in pilot basis rather than rolling out for the entire Circle.

It is requested to consider the above suggestions so as to equip BAs to convert the growing FTTH demand as an immediate potential revenue source for BSNL by taking BA Heads into confidence and giving them opportunities to deploy the most viable and financially feasible model of FTTH provisioning and maintenance system in the Circle which would be beneficial to expand our own FTTH network and increase revenue giving equal thrust to service quality and reduced expenditure.

Thanking You,

Sincerely Yours



**Jithesh K P**  
**Circle Secretary**  
**SNEA Kerala Circle**

Copy to GS, SNEA CHQ, New Delhi